



FISH AND WILDLIFE DIRECT PROGRAM

Quarterly Budget Status Report

Period Covered
October 1, 1998 through March 2, 1999

**BONNEVILLE POWER ADMINISTRATION
FISH AND WILDLIFE DIRECT PROGRAM
Quarterly Budget Status Report**

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I. Overview

This quarterly budget status report covers the period October 1, 1998, through March 2, 1999. This timeframe includes all of FY 1999, Quarter 1 and two-thirds of FY 1999, Quarter 2. Fiscal year 1999 encompasses October 1, 1998, through September 30, 1999. This report was prepared by the Bonneville Power Administration (BPA) Fish and Wildlife Division to address implementation of the Fish and Wildlife Direct Program at both the program and project levels.

A. New Format

A new format and content of the quarterly budget status report has been developed to enhance ease of use and add functionality. The report now includes both data displayed in a series of spreadsheets and analysis of the data. The purpose of the new format and content is to enhance communication to a broad audience regarding Fish and Wildlife Program budgetary and status issues by assessing implementation progress and focusing attention on areas that require regional input, discussion, and/or decisions. Features such as sub-basin and work type analysis, as well as a baseline schedule, enable better tracking and measurement of progress. The organization of the new quarterly status report is summarized in Exhibit 1.

Exhibit 1, New Quarterly Report Organization

Section	Contents
Overview	Summary of quarterly-specific issues necessitating regional input, discussion, and/or action
Budget Summary	Summary of total budget, interest computation, carry-forwards, and overhead and supporting costs
Placeholder Account Summary	Summary of actions affecting Placeholder balances
Program Category Analysis	Analysis of Program implementation by program category and summary of transfers between projects
Sub-Basin and Sub-Region Analysis	Analysis of Program implementation by sub-basin and sub-region
Type of Work Analysis	Analysis of Program implementation by type of work
Program Implementation Status	Review of the status of Program implementation
Action Items	Actions warranting regional input, discussion, and/or decision
Appendices	<ul style="list-style-type: none">• Summary Budget Report• Schedule• Status Against Schedule• Transactions• Carry Forward Itemization• Project Number Corrections• Placeholder Summary• Index

The report organization delineated in Exhibit 1 indicates that the “body” of the report is comprised of a summary and analysis of Fish and Wildlife Program implementation activities. This analysis is supported by the data contained in the appendices. This represents a substantial addition to prior editions of the quarterly status report that focused on the conveyance of data but provided little context or analysis of the data.

The spreadsheets that appear in the appendices of this report provide a great deal of data related to the Fish and Wildlife Program budget, implementation schedule, implementation status, transactions, and projects. These spreadsheets continue to be generated using the same database and reporting features utilized to produce previous editions of the quarterly report.

Differences between the spreadsheets contained in the current report and prior editions include a consolidation of some data to streamline and clarify the spreadsheets and the addition of spreadsheets to address scheduling, budgetary, and project tracking aspects of Fish and Wildlife Program implementation. For example, the new Schedule spreadsheet indicates the month(s) when contract actions are expected for each project, and the Status Against Schedule spreadsheet documents progress against the schedule. The correlation between the spreadsheets contained in the new and old quarterly reports is depicted in Exhibit 2.

Exhibit 2, New and Old Quarterly Status Report Data Comparison

New Report	Old Report
Summary Budget Report	Budget Tracking Report, Remaining Balances Status, and Status of Projects with no Obligation
Schedule	
Status Against Schedule	
Transactions	Transactions
Carry Forward Itemization	
Project Number Corrections	
Placeholder Summary	Caucus Placeholder Review
Index	Index

B. Quarterly Specific Issues

Quarterly specific issues will be identified throughout the report to facilitate regional input, discussion, and/or decisions as needed. In this reporting period, these issues include:

- Derivation of the start-of-year budget
 - Mapping from the projects and proposal numbers used in the prioritization process to the project numbers now in use by BPA
 - Documentation of post-start-of-year budget decisions by the Council
 - Discussion of carry-forward from FY1998 to FY1999 including current effect on project allocations, and need for final resolution
 - Identification of the FY1998 interest computation and need for resolution regarding its allocation across program categories
- Project specific budget issues
 - Deficit status of the Wildlife Placeholder account (#9780000) by \$81,715
 - PTAGIS project (#9008000) shortage of \$255,602
 - Potential shortfall in pumping costs (#8902700)
- Review/feedback on new report structure and format
 - Overall layout and presentation

- Additional analysis desired
- Issues regarding assignments to program category, sub-basin, and/or type of work

C. Next Actions

A number of issues presented in this report will require some sort of follow-up action or decision. Many of these issues are identified throughout the report, and are also summarized in Section VIII, Action Items. It is likely, however, new issues will be raised during the quarterly review meeting. The method and procedure for addressing these issues and documenting their resolution needs to be identified. In addition, feedback is requested regarding how to further improve the format and content of the quarterly status report. The goal is to make this report as useful as possible to stakeholders throughout the region.

Discussion should occur regarding the overall purpose and desired intent of the Quarterly Review meetings. This discussion should also include consideration of process steps for raising issues and how these meetings can or should be used in conjunction with Council committee meetings and work sessions. Finally, the frequency and timing of the meetings is also a relevant issue for discussion to ensure regional needs are effectively addressed.

II. Budget Summary

A. Total Budget

The Direct Program has a base budget of \$127 million per year under the terms in effect from the Fish and Wildlife Memorandum of Agreement (MOA). Three factors contribute to raising the FY1999 total allocation to just over \$166 million. First, a portion of the FY1998 allocation was not actually obligated (i.e., committed by means of a contract) during that fiscal year. These “unobligated” dollars (approximately \$33 million) were then “carried forward” into FY1999, and added to the total program budget allocation. Second, interest was computed based on unspent dollars (i.e., either not yet contracted, or contracted but not yet billed) to date under the MOA. This interest (approximately \$2 million) was also added to the total program budget allocation. Third, a reserve fund of \$10 million was established at the outset of the MOA. At the beginning of FY1999, this fund contained approximately \$4 million, which was also added to the total program budget allocation. The total FY1999 allocation is summarized in Exhibit 3.

Exhibit 3, FY1999 Allocation

Budget Component	Amount
FY1999 Start of Year	\$127,000,000
FY1998 Carry-Forward	\$32,953,399
Interest Accrued	\$2,051,548
Remainder of Reserve	\$4,193,000
FY1999 Total Allocation	\$166,197,947

It should also be noted that a few contracts from FY1998 are still awaiting final signature by the contractor, so there may yet be minor changes to the carry-forward amount.

B. Project and Proposal Numbers

When new proposals are submitted to the prioritization process, they are given a proposal number for tracking purposes. If the proposals are recommended for funding, they are then given a seven-digit project number by BPA. Appendix F lists the FY1999 new proposals recommended for funding and shows the assigned BPA project number.

A few projects were submitted to the prioritization process with inappropriate numbers. For example, numbers may have been transposed, or a different number may have been submitted than the one already in use by BPA. These cases are also documented in Appendix F.

C. Interest Computation

At the end of each fiscal year, an interest payment is calculated based on unspent (unaccrued) dollars within the MOA. Dollars may be unspent either because they have not been contracted (obligated) or billed (invoiced). The rate applied is the rate for the most recently auctioned 13-week Treasury bills on the first day of the fiscal year. The interest payment was approximately \$1.6 million in FY1996 and almost \$2.6 million in FY1997. For FY1998, the payment is \$2,051,548 which is derived from a rate of 4.221% applied to an unspent amount of \$48,603,365.

In developing the start-of-year work plan and budget recommendations, it was assumed by the Columbia Basin Fish and Wildlife Authority (CBFWA) and Council that the interest payment would be approximately \$1.4 million. This amount was then allocated out to projects in the work plan. Since the actual interest payment is \$2,051,548, the excess of \$651,548 is shown in an interest fund account (#9702000) in the Program Coordination category.

Issue: How should this \$651,548 be distributed between Anadromous Fish, Resident Fish, and Wildlife program categories in FY99? Typically, this has occurred according to a 70/15/15% share. If that practice is followed, Anadromous Fish would receive \$456,084, and Resident Fish and Wildlife would each receive \$97,732.

D. Carry-forwards

Obligations in the Direct Program are tracked by fiscal year. All funds not obligated at the end of a fiscal year are carried forward into the next fiscal year. These carry-forward funds may stay allocated to the same project in the new fiscal year, or they may instead be transferred to an unallocated placeholder category, depending on the specific situation.

One typical situation requiring carry-forward funds is a major construction project lasting more than one year. Other common cases are those projects that are close to being implemented but require a little extra time to complete contract negotiations. In other cases, the remaining balances may be more appropriately returned to the respective placeholder account rather than carried forward with a specific project.

Final discussion regarding resolution of FY1998 carry-forwards has not yet occurred. Tentative project specific carry-forwards are listed in Appendix E. For tracking purposes these amounts have been added to the start-of-year allocations for each project. In a few cases, as indicated in the comments portion of Appendix E, these carry-forward balances have already been returned to the appropriate placeholder. As mentioned previously, a few contracts are still pending final signature, so a few of these amounts may yet change. Also see Section E, Overhead and Support Costs, for additional comments regarding carry-forward of overhead dollars.

Issue: What are the CBFWA and Council recommendations regarding the resolution of these proposed carry-forwards? Specifically, should any balances be returned to their respective placeholder rather than retained with the individual project?

E. Overhead and Support Costs

BPA overhead and support costs are comprised of a variety of personnel and facility charges. Personnel costs are for staff within the Fish and Wildlife Division, as well as staff in other parts of BPA who provide support to Fish and Wildlife Program implementation. These include staff providing support in procurement, NEPA, legal, and realty. Facility charges include such costs as office space, computer services, and administrative and payroll support.

A projection of these costs for the upcoming fiscal year has typically been provided in the spring to be incorporated into prioritization process decisions. Because this occurs prior to much of the internal agency budgeting process, estimates are intentionally conservative. For FY1998, \$1,374,255 of the FY1998 projection was not actually spent. This amount has been

carried forward and moved into a separate account (#9508500) to ensure it is tracked separately from the FY1999 overhead and support costs.

For at least the next quarter, we will be retaining these carry-forward funds remaining from last year's overhead and support budget allocation within the overhead category. There are three reasons for this.

First, in FY1999, because of the functional separation between the Power and Transmission Business Lines, the agency has changed the method of computing various internal charges. The current projection for total FY1999 overhead and support exceeds the amount estimated last spring by \$251,572 and the numbers are subject to further change. We will continue to review the projections, and charges to these accounts will continue to be monitored. The goal is to work with other groups in BPA so that the actual FY1999 overhead costs fall within the original projection of \$8,058,736 from April 1998.

Second, a portion of this carry-forward will need to be reserved in order to implement various program improvements, including project management plans and continued follow-up to the Council-directed Moss Adams management review. These activities will enable additional information and analysis to be provided to the region regarding program implementation and allow all parties involved to increase effectiveness.

Third, the increase in regional fish and wildlife planning activity, including the Framework process and the Federal Caucus, is claiming a significant amount of staff time that would otherwise be available for project implementation. Over the last several years, the size of Fish and Wildlife Division staff has continued to decrease. Currently, the Division is not able to absorb an increased planning and participation workload without adversely impacting project implementation efforts. Since it is not desirable to let project implementation fall behind, several Contracting Officer's Technical Representatives (COTR's) will be added to keep contract issuance and project management on track.

Again, these projections will be re-examined at the next quarterly review. At that time, any funds from this category that can be released will be made available.

III. Placeholder Account Summary

The placeholder accounts represent an important aspect of program management. A placeholder account exists as a repository for funds in each of the three primary program categories—Anadromous Fish, Resident Fish, and Wildlife. If a project is completed without using all of the funds allocated to it, the balance is transferred to a placeholder account. These funds are then available to be re-distributed towards projects that fall into the appropriate program category.

In particular, these placeholders are the only source of funds for unexpected needs or shortfalls in allocations for other planned projects. The FY1999 authorization, total transactions, current plan, and unallocated balance for each placeholder account are summarized in Exhibit 4.

Exhibit 4, FY1999 Placeholder Account Summary

Program Category	Authorized	Total Transactions	Current Plan	Balance
Anadromous Fish	\$1,725,168	(\$586,162)	\$1,139,006	\$1,139,006
Resident Fish	\$452,380	(\$129,970)	\$322,410	\$322,410
Wildlife	(\$89,319)	\$7,604	(\$81,715)	(\$81,715)

Within each category, there has been a traditional need for contingency funds to be made available as necessary to cover emergency expenditures on existing projects. In the past, these needs have included such items as repair of flood damage, replacement of equipment due to breakage, construction contingencies, and hazardous waste disposal.

In addition, the start-of-year budget allocations are estimates only, and the actual contracted amounts may be higher or lower than the original allocation. Reasons the actual contracted amount may differ from the allocation are wide-ranging. For instance, the allocations are developed a significant amount of time in advance of the actual contract implementation. Many conditions cannot be solidified that far in advance. For example, weather conditions or flow levels may impact the ability to perform certain work. Numbers of returning fish may affect tagging equipment and personnel requirements. The appraised value of a particular area of land may change due to extenuating factors. Any funding needed to address these changing conditions must come from these placeholder accounts.

It is also possible to use these funds, if they amount to greater than the contingency need, for either new work on existing projects, or for new projects altogether. Any proposed changes of this sort will be tracked and identified in this section of the report to be used as the basis for discussion and decision-making.

Issue: Should there be an established contingency level within each placeholder account to ensure the ability to cover emergencies, changing conditions, or other unexpected needs? Possibilities include designating a percentage of the total dollars within each program category or designating a fixed dollar amount by category. We may also want to consider setting a higher amount for the beginning of a fiscal year, with the possibility of modifying it on a quarterly or semi-annual basis, as more of the planned projects are implemented.

A. Start-of-Year Allocation

The starting balance in the placeholder accounts for FY1999 is initially determined by the amounts carried forward from FY1998. However, when CBFWA provided their recommendations to the Council for FY1999 project implementation, it was assumed that a portion of these balances would be allocated to individual projects, thereby allowing more projects to be on the list for implementation. As a result, the initial start-of-year allocation for the placeholders shown in the FY1999 budget is somewhat less than the final FY1998 carry-forward amount.

In addition, in the package of recommendations BPA received from the Council, a small amount of the total funds available remained unallocated to projects.* These were included in the start-of-year allocation for the Anadromous Fish placeholder. The derivation of the start-of-year allocations for the placeholders is summarized in Exhibit 5.

Exhibit 5, Start-of-Year Placeholder Account Derivation

	Anadromous Fish	Resident Fish	Wildlife
FY1998 Carry-forward	\$2,488,135	\$1,093,380	\$208,681
Amount distributed to individual projects	(\$1,200,000)	(\$641,000)	(\$298,000)
Remaining unallocated funds*	\$437,033	\$0	\$0
Starting allocation in budget report	\$1,725,168	\$452,380	(\$89,319)

* It should be noted that based on further review of the original submittal from CBFWA to the Council, \$160,722 of the remaining unallocated funds added into the Anadromous Fish placeholder was later transferred to the Resident Fish placeholder. This action is included in the transfer accounting provided below.

B. Transfers

Every transaction involving a placeholder account is tracked during the course of a fiscal year. Exhibit 6 provides a summary of transfer activity for the current reporting period for the placeholder accounts, including number and dollar amount of transfers in and out of each account.

Exhibit 6, Placeholder Account Transfer Summary

Placeholder Account	Total \$ Out	Total \$ In	Net \$ Transferred	Total # Out	Total # In
Anadromous Fish	(\$1,697,899)	\$1,111,737	(\$586,162)	29	13
Resident Fish	(\$290,692)	\$160,722	(\$129,970)	4	1
Wildlife	(\$24,396)	\$32,000	\$7,604	4	1

Four of these transfers reflect Council-approved changes to the start-of-year project allocations. The projects involved, the amount transferred to the project allocation, and the placeholder impacted are listed in Exhibit 7.

Exhibit 7, Start-of-Year Budget Adjustments

Project Number	Project Title	Dollar Amount	Placeholder Impacted
9603401	Methow River Valley Irrigation Dist Conser – YIN	\$686,535	Anadromous
9702400	Avian Predation on Juvenile Salmonids	\$235,000	Anadromous
9602100	Gas Bubble Disease Mon & Research of Juv Salmonids	(\$277,600)	Anadromous
9903200	Consumptive Sturgeon Fishery – Hells Can & Ox Res	\$250,000	Resident Fish

It should be noted that the recently approved CBFWA proposal for coordination funding of \$300,000 (Council meeting 2/24/99) will not draw from the placeholder, since the start-of-year allocation for CBFWA's work plan development (project #8906201) included a contingency of \$500,000 for this proposal. The excess will be transferred back to the Anadromous Fish placeholder.

Further details on specific transfers involving the placeholders can be found in Appendix G. Additional information regarding transfers, in general, is provided in Section IV. C, Program Category Analysis.

C. Quarterly-Specific Issues

Currently, there are three issues which warrant discussion. The first of these is related to the status of the Wildlife placeholder. The other two may affect the status of the Anadromous Fish placeholder.

Issue: The Wildlife placeholder currently is in a deficit situation, by \$81,715. This deficit resulted from the assumption regarding the carry-forward amount from FY1998 used during the FY1999 prioritization process. This negative balance needs to be remedied. Application of a portion of the interest payment (see Section II.C) is an option to resolve the Wildlife deficit.

Issue: The PTAGIS project (#9008000) has a shortfall of \$255,602. As indicated in a letter dated February 15, 1999, from Carter Stein, PTAGIS program manager, to Dr. Brian Allee, CBFWA Executive Director, this project requires additional funds to facilitate technology transfer from NMFS to provide needed O&M support, accommodate growth and increasing sophistication of the data system, and address increased demands placed by the growing number of projects utilizing PIT-tags. Funds from the Anadromous Fish placeholder could be transferred to cover this request.

Issue: There is a potential shortfall in project #8902700, Power/Repay O&M for USBR CPR Pumping Project. This issue, which involves the potential for increased pumping costs now that all facilities are on-line, has been discussed previously by BPA, the Council, and CBFWA, but was deferred until actual circumstances and needs were better known. The potential impact on the Anadromous Fish placeholder is uncertain until this information becomes available.

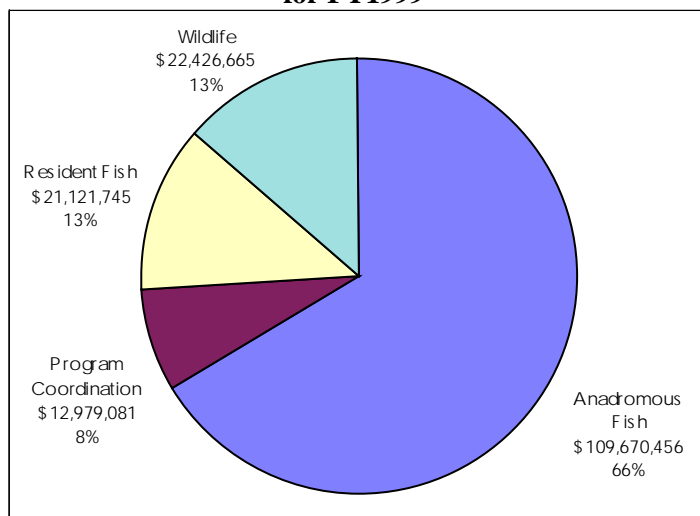
IV. Program Category Analysis

Direct program funding is allocated to four program categories: Anadromous Fish, Resident Fish, Wildlife, and Program Coordination. For the purposes of this analysis, Program Coordination includes elements such as the placeholders for interest and reserve funds, BPA program and project support within the Fish and Wildlife Division, agency support provided elsewhere within BPA, and other program-wide implementation activities.

A. Budget Amount

For the 1999 fiscal year, a total of \$166,197,947 was authorized for the four program categories. The distribution of these funds among the four programs is indicated in Exhibit 8.

**Exhibit 8, Authorized Spending by Program Categories
for FY1999**

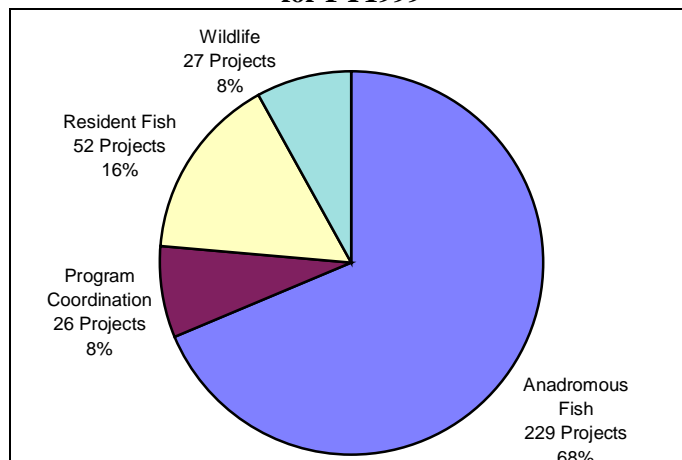


The percentage of funding distribution reflected in Exhibit 8 has been established as a standard practice. As a result, it has remained constant over the past 3 years. In a few cases, a project may receive funding from more than one program category. In those cases, the project is shown as assigned to a single category for tracking purposes. See Appendix H for an index listing current program category assignments.

B. Projects

Currently, there are a total of 334 projects being conducted in FY1999. It should be noted that these numbers increase throughout the course of the year for a variety of reasons. For example, a project may have a funding allocation to implement a number of separate activities, such as those determined by a local watershed council. As the activities are identified, they may be implemented individually under new project numbers. Similarly, a construction project may be split into many components such as preliminary design, final design, NEPA work, site preparation, and actual construction. Both of these cases result in an increase in the total number of projects. The distribution of funded projects by category for FY1999 is shown in Exhibit 9.

**Exhibit 9, Funded Projects by Program Category
for FY1999**



C. Transfers

For the current reporting period, there were a total of 262 transfers. Transfers are commonly executed for a variety of reasons, including to purchase PIT tags from the project designated for that purpose (#9008001), move unused funds from a specific project to a category-specific placeholder account, or shift funds from that placeholder account to a project where additional funds are required. Provided in Exhibit 10 are the reasons for transfers, total number of transfers, percent of transfers, and definitions.

Exhibit 10, Summary of Transfers

Reason for Transfer	Total Transfers	Percent of Total	Definition
Pit tags	72	27.49%	Transfer to cover cost of PIT tags
Contract overage	56	21.38%	Cost exceeded allocation for approved scope of work by < 10%
Work transfer	32	12.21%	Part of work and associated dollars transferred to a different contract
Sub-project	30	11.45%	New project(s) created from an existing project
Contract savings	14	5.34%	Work was contracted for less than original allocation
Overhead	13	4.96%	Money allocated for general overhead now specified for a particular project
TBL Support	10	3.82%	Money transferred to pay for realty or other Transmission Business Line support (e.g., land appraisals)
Carry-forward returned to placeholder	8	3.05%	Money carried forward to the same project from the previous fiscal year that was not needed and therefore moved to the placeholder
Per NPPC	8	3.05%	Council/CBFWA recommended mid-year re-allocation
Other	7	2.67%	<ul style="list-style-type: none"> New need Correction to savings Resolve FY 1998 issues
NEPA	6	2.29%	Money to cover the cost of compliance with NEPA environmental regulations

Reason for Transfer	Total Transfers	Percent of Total	Definition
Budget correction	4	1.53%	Revised budget
ESA reserve	2	0.76%	Funds transferred from an independent placeholder account established to support ESA-focused research
Total	262	100.00%	

Total transfers in and out of projects and placeholders in each of the program categories are summarized in Exhibit 11. Of the total transfers out, roughly \$2.1 million (17%) was for the purchase of PIT tags.

Exhibit 11, Program Category Transfer Summary

Program Category	Transfers Out	Transfers In	Net Transfers
Anadromous Fish	(\$11,177,798)	\$11,234,714	\$56,916
Resident Fish	(\$862,735)	\$987,642	\$124,907
Wildlife	(\$207,896)	\$334,645	\$126,749
Program Coordination	(\$325,807)	\$17,235	-\$308,572
Totals	(\$12,574,236)	\$12,574,236	\$0

Most transfers occur between projects within the same program category. Transfers between program categories tend to be special situations. The only standard inter-category transfer is from Resident Fish to Anadromous Fish, for the purchase of PIT tags. Other inter-category transfers tend to be reallocations or corrections regarding dispensation of programmatic issues such as the distribution of unallocated interest funds.

The funds that were moved from one category to another can be accounted for as shown in Exhibit 12.

Exhibit 12, Inter- Category Transfer Details

Origination Category	Destination Category	Amount	Explanation
Program Coordination	Anadromous Fish	\$308,572	<ul style="list-style-type: none"> • budget correction :\$251,572 • hydrosite database: \$55,500 • ocean project presentation: \$1,500
Anadromous Fish	Wildlife	\$126,749	<ul style="list-style-type: none"> • budget correction
Anadromous Fish	Resident Fish	\$160,722	<ul style="list-style-type: none"> • budget correction:\$160,722
Resident Fish	Anadromous Fish	\$42,627	<ul style="list-style-type: none"> • PIT tag purchases:\$35,815 • placeholder error: \$6,812*

* Administrative error, correction in process

V. Sub-Basin and Sub-Region Analysis

A. Sub-Basin Analysis

The scope of work encompassed in fish and wildlife projects addresses issues in a number of geographic sub-basins and sub-regions. Exhibit 13 illustrates the authorized amounts and number of projects in each sub-basin for the FY 1999 program year.

A few of the sub-basins listed are catch-all categories for projects which cover broad geographic areas or are programmatic in nature. See Appendix H for an index showing specific project assignments.

Exhibit 13, FY1999 Authorized Allocations and Projects by Sub-Basin

Sub-Basin	Authorized Allocation	% of Total Dollars	Number of Projects	% of Total Projects
Asotin	\$239,000	0.15%	2	0.64%
Clearwater	\$12,198,921	7.80%	19	6.11%
Columbia Above Chief Joseph	\$13,890,948	8.88%	35	11.25%
Deschutes	\$1,047,290	0.67%	6	1.93%
Fifteenmile	\$262,630	0.17%	4	1.29%
Grande Ronde/Imnaha	\$7,820,644	5.00%	16	5.14%
Hood	\$1,773,951	1.13%	9	2.89%
John Day	\$3,149,779	2.01%	10	3.22%
Klickitat	\$844,662	0.54%	2	0.64%
Lower and Mid Columbia Mainstem	\$5,918,049	3.78%	18	5.79%
Lower Snake	\$4,023,005	2.57%	15	4.82%
Mainstem Research, Monitoring and Evaluation	\$21,303,815	13.62%	37	11.90%
Methow / Entiat / Wenatchee/Okanogan	\$3,311,116	2.12%	4	1.29%
Owyhee	\$1,290,389	0.82%	4	1.29%
Salmon	\$8,128,867	5.20%	23	7.40%
Sandy	\$146,500	0.09%	2	0.64%
Systemwide Projects and Coordination	\$27,888,249	17.82%	29	9.32%
Tucannon	\$433,000	0.28%	3	0.96%
Umatilla	\$6,429,090	4.11%	11	3.54%
Upper Snake	\$9,777,138	6.25%	10	3.22%
Walla Walla	\$4,785,263	3.06%	7	2.25%
Willamette	\$1,970,497	1.26%	8	2.57%
Wind	\$350,000	0.22%	1	0.32%
Yakima	\$19,480,611	12.45%	36	11.58%
Grand Total	\$156,463,414	100.00%	311	100.00%

* Support categories have been removed as these projects are not contributing towards efforts in a particular sub-basin. The total dollar amount is less and the number of projects fewer as a result.

Exhibits 14 and 15 illustrate both the allocation by sub-basin, as well as the current number of projects by sub-basin for the current year.

Exhibit 14, Allocation by Sub-Basin

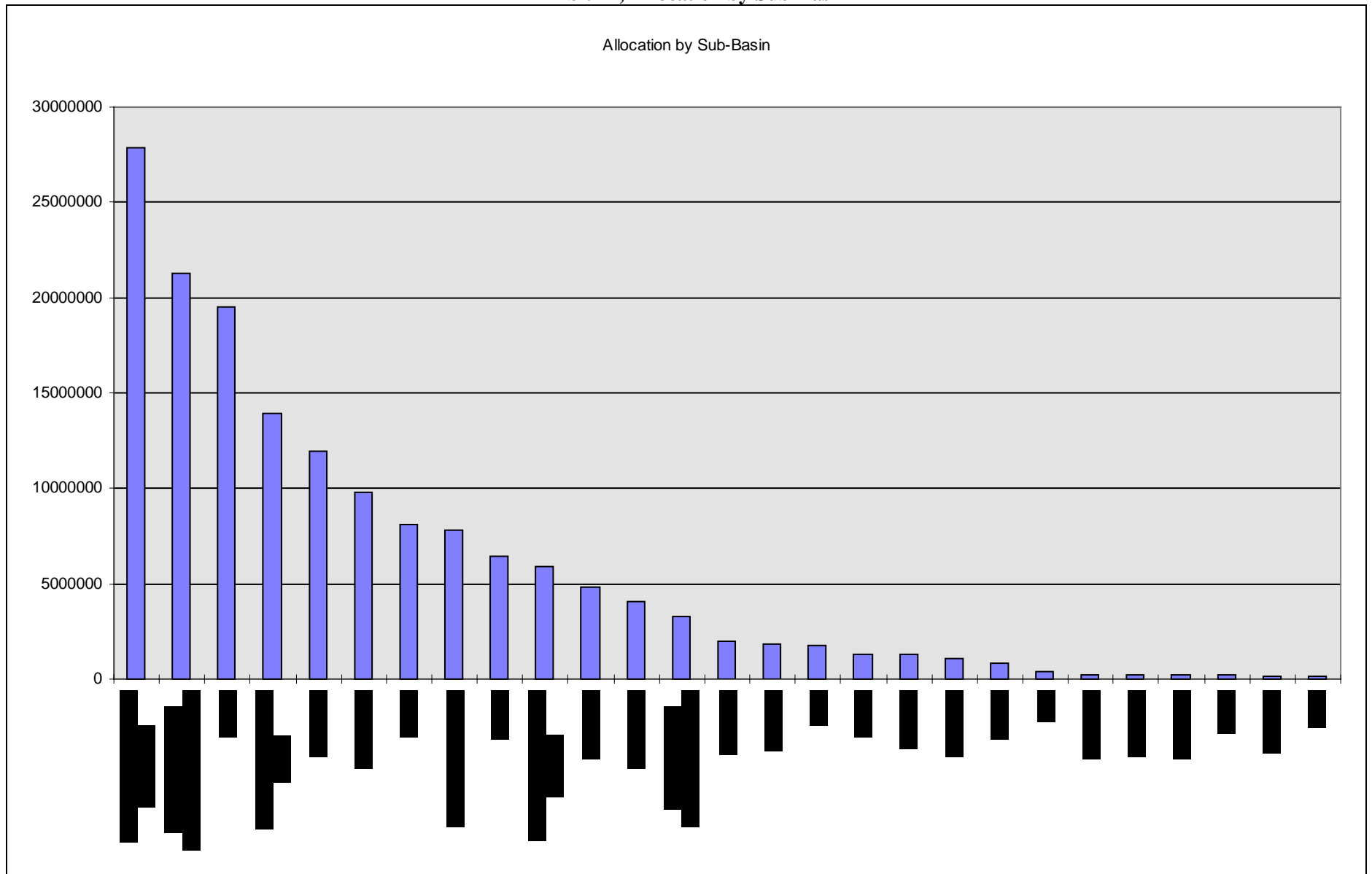
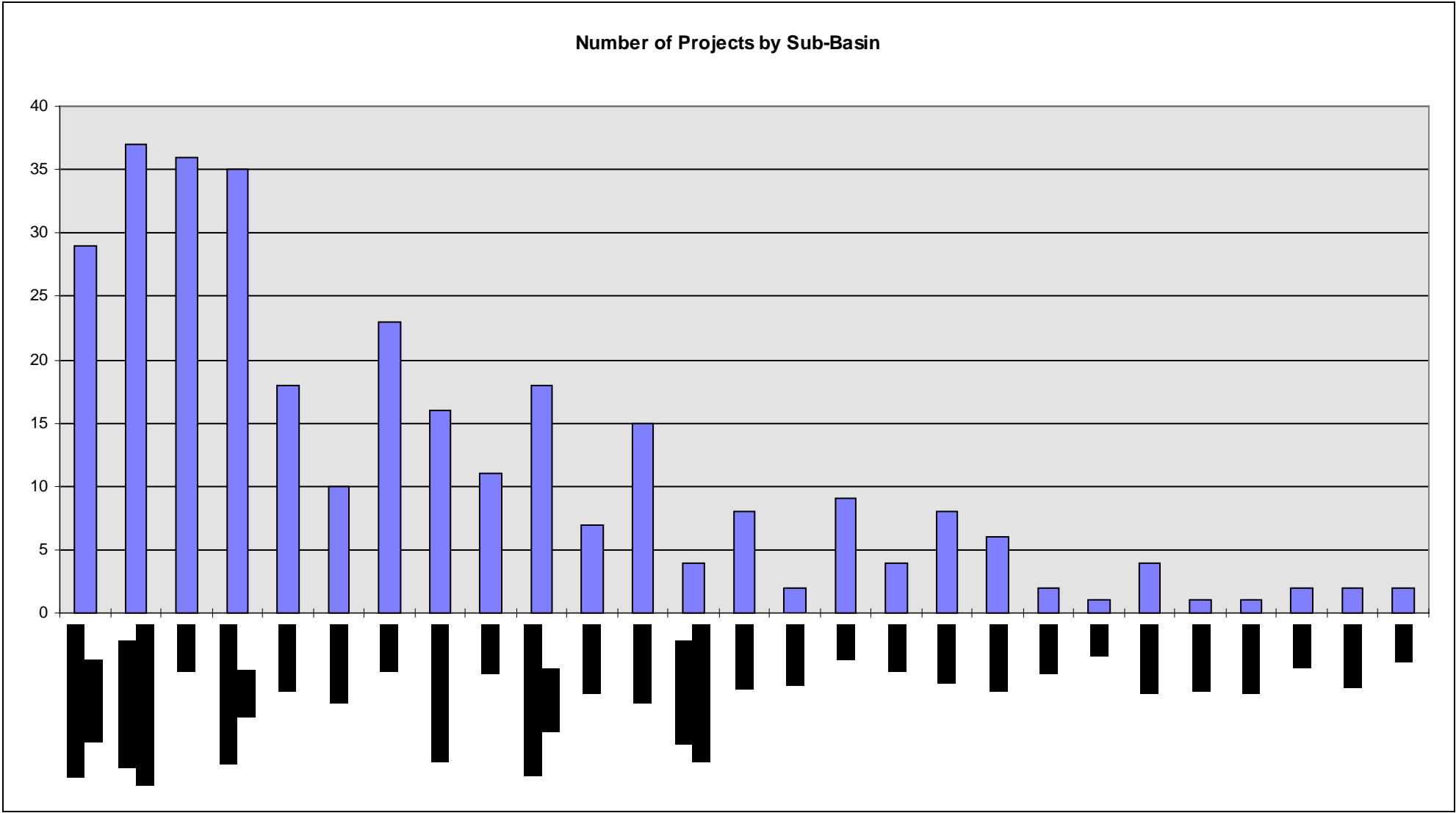


Exhibit 15, Number of Project by Sub-Basin



B. Sub-Region Analysis

The basins shown previously can be grouped together into eight sub-regions. Each sub-basin fits into one and only one sub-region. These relationships are indicated in Exhibit 16.

Exhibit 16, Sub-Basin/Sub-Region Correlation

Sub-Basin	Sub-Region							
	Lower Columbia	Lower Snake	Lower-Mid Columbia	Mainstem	System-wide	Upper Columbia	Upper Snake	Upper-Mid Columbia
Asotin		√						
Clearwater		√						
Columbia Above Chief Joseph						√		
Deschutes			√					
Fifteenmile			√					
Grande Ronde/Imnaha		√						
Hood			√					
John Day			√					
Klickitat			√					
Lower and Mid Columbia Mainstem				√				
Lower Snake		√						
Mainstem Research, Monitoring and Evaluation				√				
Methow / Entiat / Wenatchee/Okanogan								√
Owyhee							√	
Salmon		√						
Sandy	√							
System wide Projects and Coordination					√			
Tucannon		√						
Umatilla			√					
Upper Snake							√	
Walla Walla			√					
Willamette	√							
Wind			√					
Yakima								√

Exhibit 17 illustrates the authorized amounts and number of projects in each sub-basin for the FY 1999 program year.

Exhibit 17, FY 1999 Authorized Allocation and Projects by Sub-Region

Sub-Region	Authorized Allocation	% of Total Dollars	Number of Projects	% of Total Projects
Lower-Mid Columbia	\$18,642,665	12%	50	16%
Lower Columbia	\$2,116,997	1%	10	3%
Lower Snake	\$32,843,437	21%	78	25%
Mainstem	\$27,221,864	17%	55	18%
System-wide	\$27,888,249	18%	29	9%
Upper-Mid Columbia	\$22,791,727	15%	40	13%
Upper Columbia	\$13,890,948	9%	35	11%
Upper Snake	\$11,067,527	7%	14	5%
Grand Total	\$156,463,414	100%	311	100%

C. Seasonal Specific Issues

In order to ensure that future presentation of this information is as effective and useful as possible, input and feedback is needed on a number of issues:

- Are the sub-regions and sub-basins displayed in the appropriate groupings and the appropriate level of detail? For example, should ocean and estuary projects be in a separate category rather than included in lower and mid-Columbia mainstem?
- Are the assignments of projects to sub-basins appropriate? In particular, should the PATH projects be included under Mainstem Research, Monitoring and evaluation (as they are here), under Systemwide projects and coordination, or someplace else?
- Are these groupings consistent with those used in other related efforts such as the prioritization process?

VI. Type of Work Analysis

The projects conducted within the Fish and Wildlife Program address a wide range of activities, including habitat restoration, passage improvements, hatchery construction, and research. All projects are currently assigned to one of twelve general work categories. These categories are defined in Exhibit 18. See Appendix H for an index showing specific project assignments.

Exhibit 18, Type of Work Summary

Type of Work	Definition	FY1999 Allocation	Number of Projects
Production	Includes hatchery design, construction, and O&M; captive broodstock work; and supplementation	\$41,655,781	63
Research and Evaluation	Includes scientific research, analysis of life stage survival, effectiveness of measures, stock assessments, modeling, etc.	\$23,107,320	73
Habitat	Includes instream restoration, fencing, and other enhancement activities	\$20,440,818	75
Monitoring	Includes coded wire tag, pit tag, and other means of tracking and measuring status and populations	\$18,495,771	28
Acquisition	Land or easement purchase specific to wildlife mitigation	\$17,684,057	9
Passage	Includes mainstem passage such as predator control and tributary passage work such as screening	\$15,052,825	25
BPA Program Support	Support from BPA personnel and facilities (legal, NEPA, etc.) for program-wide activities	\$8,859,819	16
Placeholder	Program category "holding" accounts for unallocated funds	\$7,273,623	3
Coordination	Coordination, planning, and other program-wide activities	\$4,869,644	18
Restoration and enhancement	Habitat restoration and enhancement activities related to wildlife	\$4,639,027	14
Interest & Reserve	Specific fund balances	\$3,244,548	2
BPA Project Support	Support from BPA personnel and facilities (legal, NEPA, etc.) for specific project activities	\$874,714	8
Grand Total		\$166,197,947	334

Spending and number of projects in each category are listed above. Spending in each category is illustrated in the table in Exhibit 19, and the number of projects in each type of work category is shown in Exhibit 20.

In order to ensure this information is addressing questions of regional interest, we need input and feedback on a number of issues.

- Are the type of work categories displayed at the appropriate level of detail? Should some groups be combined? Are any groups too broad?
- Are assignments of projects to specific categories appropriate?

Exhibit 19, 1999 Allocation by Type of Work

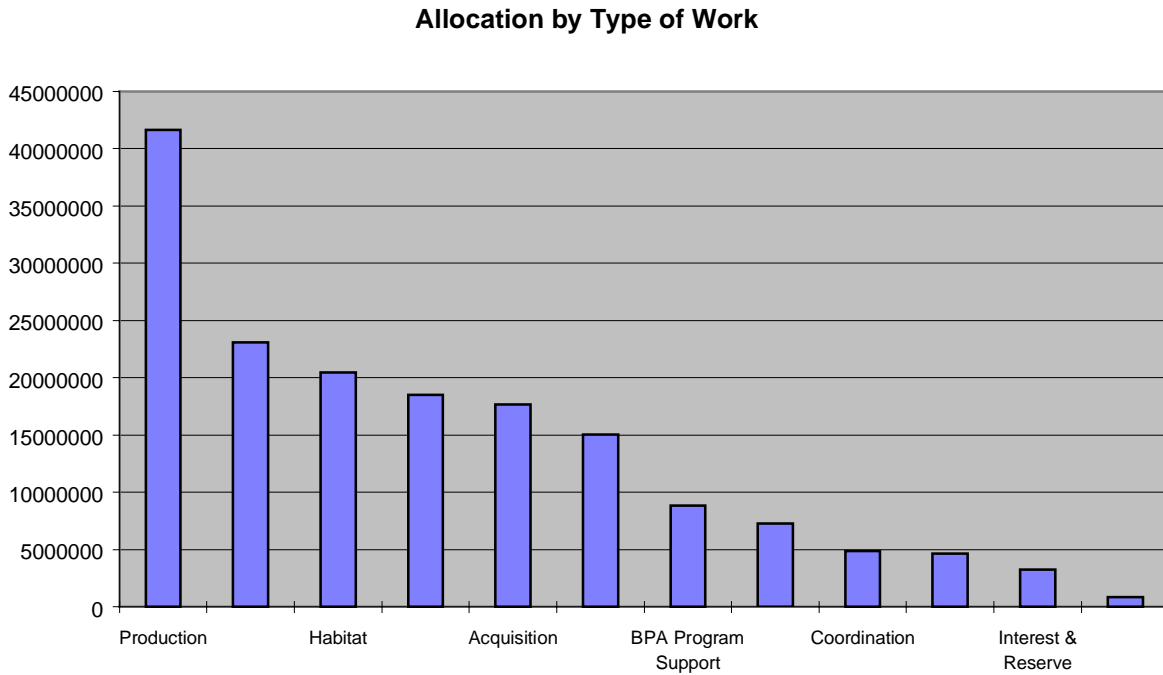
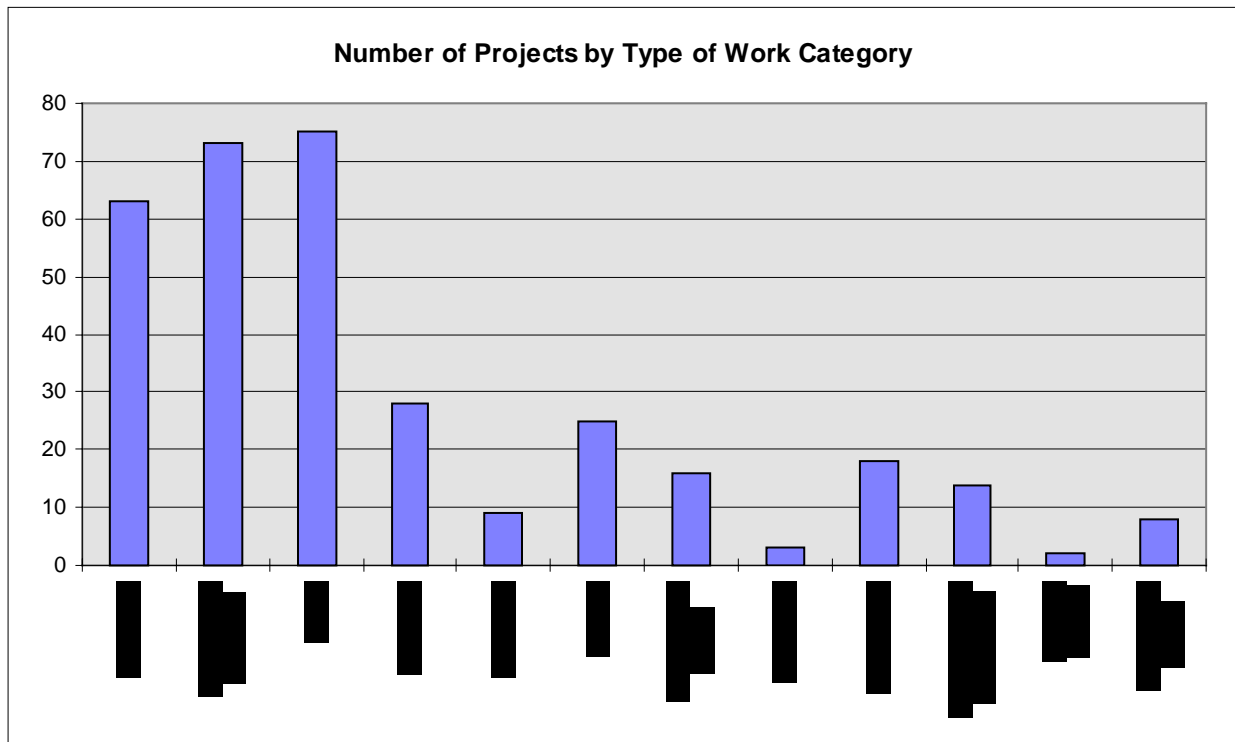


Exhibit 20, Number of Projects per Type of Work



VII. Program Implementation Status

In order to better anticipate activities and needs and to indicate progress over the course of the year, a schedule of expected contract actions (renewals and/or modifications) has been established. The complete schedule is attached as Appendix B. This schedule is sorted by project number and includes the project title, current planned dollar amount, and expected obligation date(s) by month. The primary intent of this information is to increase awareness of time constraints regarding project implementation, allow for timely resolution of issues, and better understand the distribution of workload throughout the year.

Projects assigned to the Program Coordination category are not included, since most are charged throughout the fiscal year without specific contract actions. As a result, out of the 334 projects currently planned for implementation this year, 298 (89%) of them are included in the schedule report.

Status against this schedule can be reviewed throughout the year by comparing the expected action dates against actual obligations to date. Measuring progress, however, is difficult for a variety of reasons. In a number of cases, the actual obligation occurs by means of a transfer of funds to a different project so there is no obligation recorded for the originating project. In other cases, a no-cost time extension to the contract may allow the expected obligation date to be postponed. These instances must be identified on a case-by-case basis.

Determination of project implementation status requires input from COTRs to determine whether there is in fact a delay, the cause of that delay, and the magnitude and potential impact of the problem. Because the expected action dates shown in the schedule are estimates rather than firm constraints, most delays are not problematic. In a few cases, however, a delay may seriously impact ability to perform the project work. For example, certain activities may only be performed during a particular month because of weather conditions or fish migration patterns. In these cases, a delay may result in a postponement of the project for an entire year.

There are many reasons why projects may not be implemented according to the anticipated schedule. For example, NEPA or ESA requirements may need to be fulfilled prior to signing a contract and committing funds. Also, additional lead-time may be needed to adequately respond to ISRP requirements or the Council's 3-step hatchery review. Similarly, negotiations may be prolonged due to questions regarding project scope, budget items, or methodology. Finally, weather conditions may also be a factor, if work areas are inaccessible, or work requirements are affected.

A. Performance

Reviewing expected action dates, actual obligations to date, and remaining balances by project, provides a preliminary evaluation of implementation status. Comparison of the expected and actual obligations highlights projects which warrant further review and discussion with COTRs.

Through this reporting period (October 1, 1998 through March 2, 1999), 159 projects were scheduled to have a contract action. During this period, 42 of these projects did not show an obligation. These 42 projects, along with all other projects with positive remaining balances are shown in Appendix C.

Comments on these 42 project actions are included. Six of these 42 project actions were completed in the week following the end of the reporting period. Two other actions, which were no-cost time extensions have also been completed. Of the remaining 34 project actions, 15 actions were more than 30 days past their estimated date. These 15 projects have been reviewed to determine whether there are issues needing resolution or potential problems arising. No problems or issues were identified during this review.

VIII. Action Items

This section summarizes those items highlighted throughout the report which require decision and action. Status of each will be included in this section in subsequent reports. Issues this quarter include:

Issue: How should this \$651,548 be distributed between Anadromous Fish, Resident Fish, and Wildlife program categories in FY99? Typically, this has occurred according to a 70/15/15% share. If that practice is followed, Anadromous Fish would receive \$456,084, and resident fish and wildlife would each receive \$97,732. (Section II C)

Issue: What are the CBFWA and Council recommendations regarding the resolution of these proposed carry-forwards? Specifically, should any balances be returned to their respective placeholder rather than retained with the individual project? (Section II D)

Issue: Should there be an established contingency level within each placeholder to ensure the ability to cover emergencies, changing conditions, or other unexpected needs? Possibilities include designating a percentage of the total dollars within each program category or designating a fixed dollar amount by category. We may also want to consider setting a higher amount for the beginning of a fiscal year, with the possibility of modifying it on a quarterly or semi-annual basis, as more of the planned projects are implemented. (Section III)

Issue: The Wildlife placeholder currently is in a deficit situation, by \$81,715. This deficit resulted from the assumption regarding the carry-forward amount from FY1998 used during the FY1999 prioritization process. This negative balance needs to be remedied. Application of a portion of the interest payment (see Section II.C) is an option to resolve the Wildlife deficit (Section III.)

Issue: The PTAGIS project (#9008000) has a shortfall of \$255,602. As indicated in a letter dated February 15, 1999, from Carter Stein, PTAGIS program manager, to Dr. Brian Allee, CBFWA Executive Director, this project requires additional funds to facilitate technology transfer from NMFS to provide needed O&M support, accommodate growth and increasing sophistication of the data system, and address increased demands placed by the growing number of projects utilizing PIT-tags. Funds from the Anadromous Fish placeholder could be transferred to cover this request. (Section III.C.)

Issue: There is a potential shortfall in project #8902700, Power/Repay O&M for USBR CPR Pumping Project. This issue, which involves the potential for increased pumping costs now that all facilities are on-line, has been discussed previously by BPA, the Council, and CBFWA, but was deferred until actual circumstances and needs were better known. The potential impact on the Anadromous Fish placeholder is uncertain until this information becomes available.(Section III.C.)

Issue: In order to ensure that future presentation of sub-basin and sub-region data is as effective and useful as possible, input and feedback is needed on a number of issues:

- Are the sub-regions and sub-basins displayed in the appropriate groupings and the appropriate level of detail? For example, should ocean and estuary projects be in a separate category rather than included in lower and mid-Columbia mainstem?
- Are the assignments of projects to sub-basins appropriate? In particular, should the PATH projects be included under Mainstem Research, Monitoring and evaluation (as they are here), under Systemwide projects and coordination, or someplace else?
Are these groupings consistent with those used in other related efforts such as the prioritization process? (Section V.C.)

Issue: In order to ensure this information is addressing questions of regional interest, we need input and feedback on a number of issues.

- Are the type of work categories displayed at the appropriate level of detail? Should some groups be combined? Are any groups too broad?
- Are assignments of projects to specific categories appropriate?

Appendix A

Summary Budget Report

Appendix B

Schedule

Appendix C

Status Against Schedule

Appendix D

Transactions

Appendix E

Carry Forward Itemization

Appendix F

Proposal/Project Number Conversions

Appendix G

Placeholder Summary

Appendix H

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